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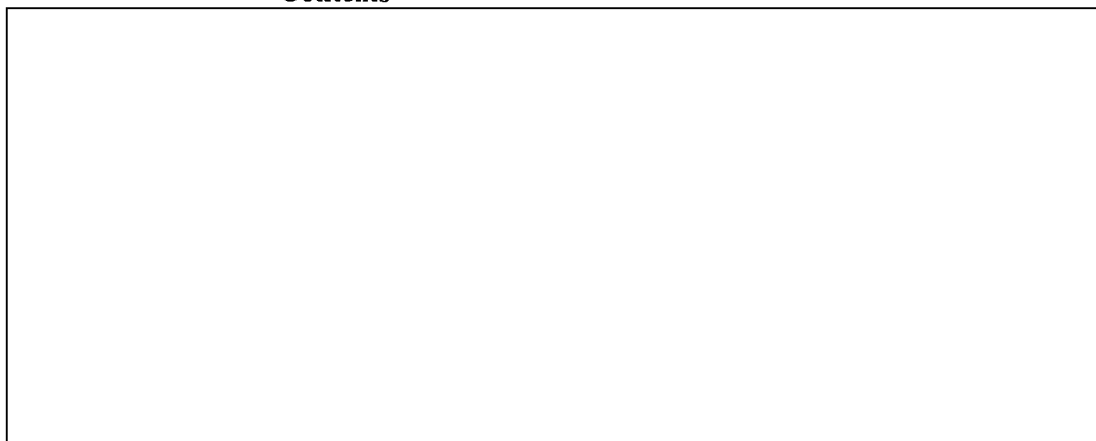
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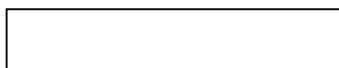


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### Special Analysis

#### NORTH KOREA: Implications of Nuclear Accord

*The historic declaration last week on establishing a nuclear-free Peninsula sustains recent momentum toward improved North-South relations but does not ensure termination of P'yongyang's nuclear weapons program.* [ ]

In accepting the declaration, North Korea has agreed to a ban on reprocessing, and it also has proclaimed readiness to sign the IAEA safeguards accord and to accept international inspections. P'yongyang knows that living up to these agreements would help end its diplomatic isolation and would pave the way for badly needed economic aid from Japan and increased trade with Seoul. The end of special trading arrangements with onetime Communist allies and a series of bad harvests have aggravated the problems in North Korea's inherently inefficient command economy and left it increasingly vulnerable to growing international pressure to end its nuclear weapons program. [ ]

#### Nuclear Weapons Program Can Still Survive

Nevertheless, [ ]  
[ ] information [ ] suggested P'yongyang intended to keep its weapons program going and was making plans to conceal it. The North may see development of a nuclear weapon as a deterrent against attack, given that Seoul is modernizing its conventional forces much faster than P'yongyang. In addition, if P'yongyang has begun to view export of nuclear materials or technology as a potential hard currency earner, its economic troubles could keep it from curtailing its nuclear development efforts. The North Koreans, moreover, are skillful tacticians, and their move on the nuclear accord may be designed to reduce international pressure and to improve prospects for economic assistance without actually dismantling the program. So far, P'yongyang has taken no steps beyond initialing the nuclear accord and the nonaggression pact. [ ]

#### Likely Inspection Results

Even if North Korea follows through with IAEA safeguards, inspections could not guarantee that the extent of its nuclear-related activity would be known, particularly if the weapons program goes underground. Regular physical inspection of all facilities associated

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with the North's nuclear fuel cycle could monitor the reprocessing plant and the availability of spent fuel at the reactors at Yongbyon. This would significantly constrain P'yongyang's ability to produce fissile material for weapons at these facilities, almost certainly reducing the number of weapons that could be produced. Moreover, the IAEA's plan for special inspections [redacted] would provide an opportunity for visits to undeclared facilities. Nevertheless, neither intrusive inspections at Yongbyon nor other monitoring is likely to assure that P'yongyang does not have—or could not obtain—fissile material from an undetected smaller-scale reprocessing or enrichment effort. [redacted]-CIA, DIA-

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